

# Power Cost Memorandum Fuel Cost Update

Date: **April 1, 2021**

Utility Name (Cert. No.) <b>CHITINA ELECTRIC INC (368)</b>	Utility File No. <b>PC26-0416JJ</b>	Date Filed: <b>February 17, 2021</b>
---	--	---

PCE AMOUNT SUMMARY	Previously Approved PC26-0416II	Staff Recommended Amount(s) and Effective Date PC26-0416JJ
Class Rate	<u>Date Approved:</u> February 5, 2021	April 2, 2021
Residential	\$0.2567	\$0.2660
Community Facilities 0-8,120 kWh	\$0.2567	\$0.2660
Community Facilities over 8,120 kWh	\$0.2567	\$0.2660
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		

Prior Fuel Purchase Price: \$ 2.2870	New Fuel Purchase Price: \$ 2.3870
<input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted	<input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous _____ Updated _____

Staff notes Chitina included the State motor fuel tax of \$0.08 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

--

Signed: *Brenda Cox*  
Brenda Cox

Utility Financial Analyst

**Commission decision re. this recommendation :**

	Date (if different from 4/1/21)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<i>RMP</i>		
Kurber		<i>KKI</i>		
Scott		<i>AGS</i> AGS		
Sullivan		<i>DS</i> DS		
Wilson		<i>Quw</i> Quw		

Special Instructions to Staff:

\* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

# CHITINA ELECTRIC INC

POWER COST EQUALIZATION CALCULATION  
 BASED ON TEST PERIOD ENDING DECEMBER 31, 2015  
**Fuel Cost Update**

	PC26-0416II	PC26-0416JJ	
	Prior Commission Approval	Utility Request	Staff Recommended
A. Total KWH Generated	458,762	458,762	458,762
B. Total KWH Sold (Appendix 2)	383,796	383,796	383,796
C. Total Non-Fuel Costs (Appendix 2)	96,409	96,409	96,409
<b>D. Non-Fuel Cost/KWH (C / B)</b>	<b>\$0.2512</b>	<b>\$0.2512</b>	<b>\$0.2512</b>
E. Total Fuel Costs (Appendix 2)	86,460	90,241	90,241
<b>F. Fuel Costs/KWH (E / B)</b>	<b>\$0.2253</b>	<b>\$0.2351</b>	<b>\$0.2351</b>
G. Eligible Costs/KWH (D + F)	\$0.4765	\$0.4863	\$0.4863
<b>H. Eligible Cost/KWH (G) less base rate in effect</b>	<b>\$0.2702</b>	<b>\$0.2800</b>	<b>\$0.2800</b>
I. Lesser of (H) or 79.37 cents/kWh	\$0.2702	\$0.2800	\$0.2800
J. Average Class Rates (Appendix 3)			
Residential	\$0.4937	\$0.4937	\$0.4937
Community Facilities First 8,120 kWh	\$0.5437	\$0.5437	\$0.5437
Community Facilities Over 8,120 kWh	\$0.5437	\$0.5437	\$0.5437
	Class Power Cost Equalization Per kWh Payable		
K. Lesser of: (I) x 95%, or (J)			
Residential	\$0.2567	\$0.2660	\$0.2660
Community Facilities First 8,120 kWh	\$0.2567	\$0.2660	\$0.2660
Community Facilities Over 8,120 kWh	\$0.2567	\$0.2660	\$0.2660
<b>L. Funding Level in Effect</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Residential	\$0.2567	\$0.2660	\$0.2660
Community Facilities First 8,120 kWh	\$0.2567	\$0.2660	\$0.2660
Community Facilities Over 8,120 kWh	\$0.2567	\$0.2660	\$0.2660

**PC26-0416JJ**  
**Appendix 1**

# CHITINA ELECTRIC INC

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY  
BASED ON TEST PERIOD ENDING DECEMBER 31, 2015

## Fuel Cost Update

		PC26-0416II	PC26-0416JJ	
		Prior Commission Approval	Per Utility	Per Staff
<b>Non-Fuel Costs:</b>				
A.	Personnel Costs	45,760	45,760	45,760
B.	Operating Expenses	21,392	21,392	21,392
C.	General and Administrative	29,060	29,060	29,060
D.	Depreciation	197	197	197
E.	Interest Expense	0	0	0
F.	<b>Total Non-Fuel Costs</b>	<b>\$ 96,409</b>	<b>\$ 96,409</b>	<b>\$ 96,409</b>
<b>Fuel Costs:</b>				
G.	Gallons Consumed for Electric Generation	37,805	37,805	37,805
H.	Most Recent Purchase	\$2.2870	\$ 2.3870	\$ 2.3870
I.	<b>Total Fuel Cost</b>	<b>\$ 86,460</b>	<b>\$ 90,241</b>	<b>\$ 90,241</b>
J.	kWh Generated	458,762	458,762	458,762
K.	kWh Sales	383,796	383,796	383,796
L.	kwh Station Service	38,091	38,091	38,091
M.	Efficiency (J /G)	Standard ≥ 10.5	12.13	12.13
N.	Line Loss (kWh generated -( kWh Sold + Station Service))/kWh generated	≤ 12%	8.04%	8.04%

# CHITINA ELECTRIC INC.

## AVERAGE RATE CALCULATION

### Appendix 3

Calculation of Average Class Rate per kWh

Rate Schedule: Residential

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.2063 kWh
500	0.7000	0.0000	0.7000	350.00	0.7000	0.4937
500				350.00	0.7000	0.4937
TOTAL (A)						(E)

Rate Schedule: Community Facilities

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.2063 kWh
8,120	0.7500	0.0000	0.7500	6,090.00	0.7500	0.5437
Over 8,120	0.7500	0.0000	0.7500			0.5437
TOTAL (A)						(E)

Signature:   
 Email: bob.pickett@alaska.gov

Signature:   
 Keith Kurber II (Apr 1, 2021 07:49 AKDT)  
 Email: keith.kurber@alaska.gov

Signature:   
 Antony Scott (Apr 1, 2021 09:24 AKDT)  
 Email: antony.scott@alaska.gov

Signature:   
 Daniel Sullivan (Apr 1, 2021 09:54 AKDT)  
 Email: daniel.sullivan@alaska.gov

Signature:   
 Janis W. Wilson (Apr 1, 2021 12:03 AKDT)  
 Email: janis.wilson@alaska.gov